

BOB F. ANDERSON, PE, INC.
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August 22, 2005

Honorable James H. Welsh,
Commissioner of Conservation
Office of Conservation
P. O. Box 94275
Baton Rouge, LA 70804-4275

Re: **APPLICATION FOR PUBLIC HEARING**
Proposed Additional Unit
Cotton Valley Formation, Reservoir A
And Proposed Substitute Unit Well
Lower Hosston Formation
Lisbon Field
Claiborne Parish, Louisiana

Dear Sir:

Notice is hereby given on behalf of **NADEL & GUSSMAN, LLC**, (Applicant) of their intent to file an application to the Commissioner of Conservation for a public hearing to consider evidence relative to the issuance of an Order pertaining to the following matters relating to the Cotton Valley Formation, Reservoir A, and the Lower Hosston Formation, Lisbon Field, Claiborne Parish, Louisiana:

FOR THE COTTON VALLEY FORMATION, RESERVOIR A:

1. To create one (1) additional 320 +/- acre drilling and production unit for the exploration for and the production of gas and condensate for the Cotton Valley Formation, Reservoir A, in the Lisbon Field, Claiborne Parish, Louisiana, to be designated CV RA SUC, such unit being shown on the attached plat and being made a part hereof.
2. To force pool and integrate all separately owned tracts, mineral leases and other property within each of the proposed units in accordance with Section 10, Title 30, of the Louisiana Revised Statutes of 1950, with each tract to share in the unit production on a surface acreage bases of participation.
3. To designate Nadel & Gussman, LLC, as the operator of the proposed CV RA SUC and their Green No. 1 Well as the unit well in exception to the spacing provisions of Office of Conservation Order No. 9-LL, effective May 13, 2003.
4. To less and except the Sexton Sand, as defined in Office of Conservation Order No. 9-R, effective December 12, 1969, from the Cotton Valley Formation, Reservoir A, as defined in Office of Conservation Order No. 9-LL, effective May 13, 2003, **FOR AND ONLY FOR** the proposed CV RA SUC.

5. To extend the provisions of Office of Conservation Order No. 9-LL, to the proposed CV RA SUC, except as in conflict herewith.

FOR THE LOWER HOSSTON FORMATION, RESERVOIR A:

1. To designate the Nadel & Gussman, LLC - Green No. 1 Well as the substitute unit well for the production of gas and condensate from the Lower Hosston Formation, Reservoir A, in the unit designated L HOSS SUJ, Lisbon Field, Claiborne Parish, Louisiana, in exception to the spacing provisions of the 9-P Series of Office of Conservation Orders, such unit and well being shown on the attached plat and made a part hereof.
2. To find that a substitute unit well, at the location shown on the attached plat, is necessary to drain hydrocarbons from the Lower Hosston Formation, Reservoir A, in the L HOSS SUJ, that cannot be drained by any other well located therein.

FOR THE COTTON VALLEY FORMATION, RESERVOIR A, AND THE LOWER HOSSTON FORMATION, RESERVOIR A:

1. To consider and cover such other matters as the Commissioner of Conservation may deem pertinent and appropriate.

The Cotton Valley Formation, Reservoir A, in the Lisbon Field, Claiborne Parish, Louisiana, was defined in Office of Conservation Order No. 9-LL, effective May 13, 2003. The Lower Hosston Formation, Reservoir A, was defined in Office of Conservation Order No. 9-P, effective February 1, 1966.

All parties, please take note the pre-application notice dated August 8, 2005, identified the proposed additional unit as the CV RA SUB. The correct unit nomenclature for the proposed additional unit is **CV RA SUC**.

The pertinent data pertaining to this application is available for inspection at the Offices of Bob F. Anderson, PE, Inc., 400 Travis Street, Suite 209, Shreveport, Louisiana 71101. Any person wishing to inspect such data should call Bob Anderson 318/425-4230 during normal business hours in order to arrange a date and time for such inspection. A copy of any such pertinent data that is otherwise not available from the Office of Conservation can be obtained **at the expense of the requesting party**.

A pre-application notice was sent to all parties stating a time and date for a conference to discuss the proposed Cotton Valley Formation, Reservoir A, proposed application, however, no request for a conference was received, therefore no conference was held. The subject matter for the Lower Hosston Formation does not require a pre-applicaition notice.

Hon. James H. Welsh
Lisbon Field
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Pursuant to the revised Rules of Procedure, Applicant has made a reasonable effort to obtain the names and addresses of all Interested Owners, Interested Parties and Represented Parties to whom this notice of this application is being sent. A copy of this letter, plat and list of parties is being sent to the District Manager of the Shreveport District Office of Conservation and a copy of this letter and plat is being sent to the Interested Owners, Represented Parties and the Interested Parties as shown on the attached list.

A check, made payable to the Office of Conservation, is attached to cover the applicable hearing fee.

Yours truly,

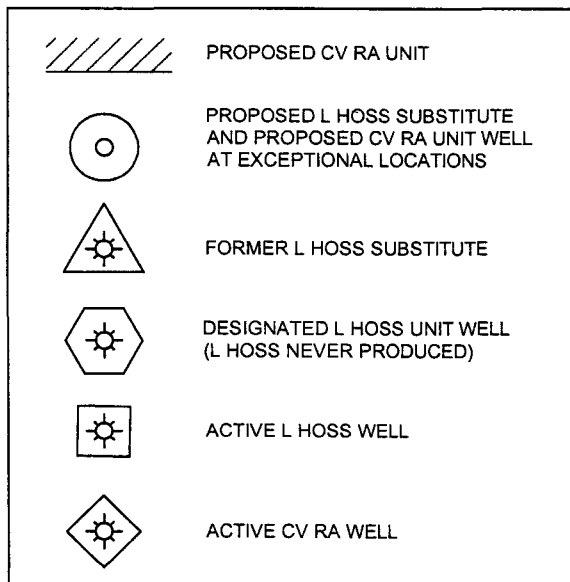
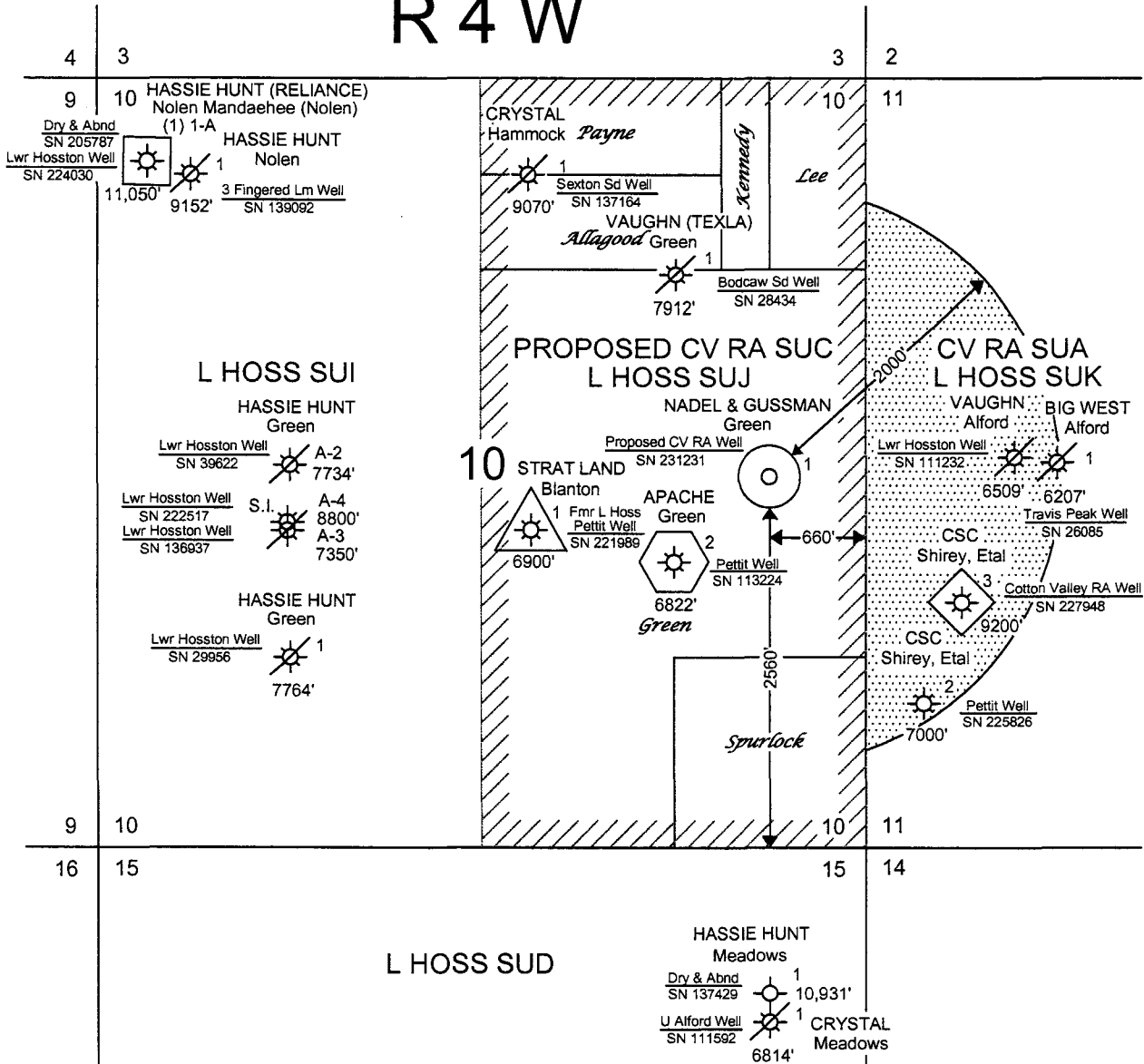
A handwritten signature in black ink, appearing to read "B F Anderson", with a long horizontal flourish extending to the right.

B. F. Anderson, PE for
NADEL & GUSSMAN, LLC

cc: Mr. James Broussard, District Manager Shreveport District Office of Conservation (w/encl.)
Interested Owners, Represented Parties and Interested Parties (wo/encl.)
Nadel & Gussman, LLC.(w/encl.)

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NADEL & GUSSMAN, LLC
LISBON FIELD CLAIBORNE PARISH, LOUISIANA
PROPOSED SUBSTITUTE UNIT WELL (HOSS) & UNIT WELL (CV) AT EXCEPTIONAL LOCATIONS PROPOSED UNIT (CV)
L HOSS SUJ & CV RA SUC GREEN NO.1
DOCKET NO. 05- EXHIBIT NO.1